GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

STARRED QUESTION NO:453
ANSWERED ON:23.08.2001
IMPORT OF SHIPS
JASWANT SINGH YADAV

Will the Minister of SHIPPING be pleased to state:

(a) the number of ships imported alongwith second hand ships during the last three years ;

(b) whether the Government have chalked out any plan to promote the growth of the Indian Merchant fleet ;

(c) if so, the details thereof ;

(d) whether his Ministry has urged the Ministry of Finance for lifting customs duty on import of ships ; and

(e) if so, the details thereof ?

Answer

MINISTER OF LAW JUSTICE & COMPANY AFFAIRS AND SHIPPING (SHRI ARUN JAITLEY)

(a) to (e) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN THE REPLY TO PART (a) to (e) OF THE LOK SABHA STARRED QUESTION NO. 453 T ANSWERED ON 23RD AUGUST,2001, REGARDING IMPORT OF SHIPS ASKED BY DR. JASWANT SINGH YADAV.

(a): A total of 92 ships including second hand have been imported during the last three years.

(b)&(c) : Yes, Sir. The Government have set a target of 9 million Gross Registered Tonnage (GRT) to be achieved by the end of 9th Plan. The steps taken by the Government for promotion and growth of Indian Merchant fleet are as under:

(i) All categories of ships viz; crude tanker, product tanker, bulk carriers, etc. have been included in the free list for import after the amendments in the Exim Policy for 2001-2002, to facilitate acquisition at competitive price;

(ii) Ships (including second hand ships) can now be imported freely without license as per guidelines issued by the Ministry of Shipping.

(iii) Facility of Acquisition through Bare Boat Charter-cum-Demise (BBCD) method for all categories of ships;

(iv) Shipping companies have been allowed to retain sale proceeds of their ships abroad and utilise them for fresh acquisition;

(v) Shipping companies are now permitted to get their ships repaired in any shipyard without seeking prior approval of the Government;

(vi) Quarterly Block Allocation scheme for repair of ships has been dispensed with;

(vii) Reserve Bank of India releases foreign exchange for ship repair/dry docking and spares for imported capital goods, without any value limit;

(viii) Indian Shipping Companies can Time Charter out ships without any restrictions;

(ix) 100 per cent investment by NRIs in shipping with full repatriation benefits is permitted;

(x) No permission is required for raising foreign exchange loans from abroad by mortgaging the vessel with the lender;

(xi) Restoration of Section 33 AC(of Income Tax Act) benefits in its original form, thereby facilitating ploughing back of profits by Shipping Companies for new acquisition.

(xii) Enhancement of Depreciation rate from 20% to 25% for Ships.

(d) &(e): Yes, Sir. The customs duty on import of ships proposed in the Finance Bill of2001-02, has since been withdrawn in respect of major categories of ships.